

ADOPTED 2007 BUDGET**DEPT:** DEPARTMENT OF AUDIT**UNIT NO.** 1001
FUND: General - 0001**OPERATING AUTHORITY & PURPOSE**

Pursuant to Section 59.47 of the Wisconsin Statutes and Chapter 57 of the Milwaukee County Ordinances, the Department of Audit is responsible for post auditing the fiscal concerns of Milwaukee County. The term audit is used to describe not only work done in examining financial statements, but also work done in reviewing internal accounting and administrative controls, compliance with applicable laws and regulations, economy and efficiency of operations, and effectiveness in achieving program results. The Department's audits are performed in accordance with Government Auditing Standards. In addition, the Department monitors contracts with

vendors of goods and services for compliance with equal opportunity and affirmative action requirements. The Department annually contracts for an audit of the financial statements of Milwaukee County and the Single Audit of Federal and State grants required by Federal OMB Circular A-133 and State Single Audit Guidelines. The staff also reconciles the County's checking accounts. In addition, the Department maintains a Hotline to receive information from citizens and employees regarding waste, fraud and abuse of Milwaukee County resources.

BUDGET SUMMARY				
Account Summary	2005 Actual	2006 Budget	2007 Budget	2006/2007Change
Personal Services (w/o EFB)	\$ 1,163,492	\$ 1,236,841	\$ 1,282,241	\$ 45,400
Employee Fringe Benefits (EFB)	709,241	720,355	784,018	63,663
Services	362,149	429,496	451,496	22,000
Commodities	5,441	6,776	7,295	519
Other Charges	0	0	0	0
Debt & Depreciation	0	0	0	0
Capital Outlay	9,000	0	0	0
Capital Contra	0	0	0	0
County Service Charges	261,575	306,698	290,208	(16,490)
Abatements	(282,534)	(330,388)	(315,026)	15,362
Total Expenditures	\$ 2,228,364	\$ 2,369,778	\$ 2,500,232	\$ 130,454
Direct Revenue	2	0	0	0
State & Federal Revenue	0	0	0	0
Indirect Revenue	0	0	0	0
Total Revenue	\$ 2	\$ 0	\$ 0	\$ 0
Direct Total Tax Levy	2,228,362	2,369,778	2,500,232	130,454

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2005 Actual	2006 Budget	2007 Budget	2006/2007Change
Central Service Allocation	\$ 0	\$ 0	\$ 0	\$ 0
Courthouse Space Rental	170,616	177,806	179,436	1,630
Tech Support & Infrastructure	41,172	53,324	53,412	88
Distribution Services	123	139	182	43
Telecommunications	4,500	5,262	3,917	(1,345)
Record Center	0	0	0	0
Radio	0	0	0	0
Computer Charges	8,624	25,093	10,288	(14,805)
Applications Charges	23,214	32,487	26,384	(6,103)
Total Charges	\$ 248,249	\$ 294,111	\$ 273,619	\$ (20,492)
Direct Property Tax Levy	\$ 2,228,362	\$ 2,369,778	\$ 2,500,232	\$ 130,454
Total Property Tax Levy	\$ 2,476,611	\$ 2,663,889	\$ 2,773,851	\$ 109,962

* These costs are included in other departmental and non-departmental budgets. They are reflected here to show the "total" amount of tax levy support for this Department.

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PERSONNEL SUMMARY				
	2005 Actual	2006 Budget	2007 Budget	2006/2007 Change
Personal Services (w/o EFB)	\$ 1,163,492	\$ 1,236,841	\$ 1,282,241	\$ 45,400
Employee Fringe Benefits (EFB)	\$ 709,241	\$ 720,355	\$ 784,018	\$ 63,663
Position Equivalent (Funded)*	20.0	20.3	20.1	(4.3)
% of Gross Wages Funded	74.8	88.1	94.9	7.0
Overtime (Dollars)**	\$ 0	\$ 0	\$ 0	\$ 0
Overtime (Equivalent to Position)	0.0	0.0	0.0	0.0

* For 2005 Actuals, the Position Equivalent is the budgeted amount.

** Delineated for information. (Also included in personal services.)

PERSONNEL CHANGES				
Job Title/Classification	Action	Number of Positions/ Total FTE	Division	Cost of Positions (Excluding Fringe Benefits)
Admin. Secretary-Lead Auditor	Abolish	2/2.0	Audit	\$ (124,278)
Student Intern	Create	1/0.21	Audit	5,000
Performance Evaluator 3	Create	1/1.0	Audit	52,864
Performance Evaluator 3	Abolish	1/1.0	Audit	(53,899)
			TOTAL	\$ (120,313)

MISSION

Through independent, objective and timely analysis of information, the Milwaukee County Department of Audit assists both policymakers and program managers in providing high quality services in a manner that is honest, efficient, effective and accountable to the citizens of Milwaukee County

\$90,257. This position is responsible for auditing requirements associated with the newly created Employee Benefits Division within the Department of Administrative Services. The position will audit health care claims, health care contracts, compliance and financial aspects of the program.

BUDGET HIGHLIGHTS

- Personal Services expenditures without fringe benefits increase \$45,400 from \$1,236,841 to \$1,282,241.
- One vacant Performance Evaluator 3 position and two vacant Admin. Secretary-Lead Auditor positions are abolished for a salary and social security savings of \$178,177.
- One position of Student Intern is created at an estimated annual cost of \$5,000 completely offset with an increase of \$5,000 in the personal services lump sum adjustment, for no net tax levy impact.
- One position of Performance Evaluator 3 is created for a salary and fringe benefit cost of \$90,257.
- Professional service fees increase \$16,000 from \$407,000 to \$423,000. This is due to the elimination of \$50,000 for a 2006 Courts efficiency study off-set by an increase of \$16,000 to conduct a County-wide audit and an increase of \$50,000 for other audit services as needed.
- All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance

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is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county

officer who knowingly violates this subsection is jointly and severely liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."

ACTIVITY AND STATISTICAL SUMMARY				
	<u>2005 Budget</u>	<u>2005 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>
Person-Hours Available (net of paid time off)	35,000	32,055	35,000	33,250
<u>Allocation of Available Hours</u>				
Financial/Internal Control Audits	8,079	1,779	6,000	5,750
Performance Audits	5,688	15,160	8,050	7,800
EDP Projects	1,867	0	0	0
Special Projects/Hotline	4,522	1,850	6,106	5,856
Bank Reconciliation	3,476	3,685	3,476	3,226
Contract Compliance	1,463	873	1,463	1,213
Administration and General	7,647	6,661	7,647	7,397
Other Indirect Time	<u>2,258</u>	<u>2,047</u>	<u>2,258</u>	<u>2,008</u>
Total	35,000	32,055	35,000	33,250
<u>Contract Compliance Activities</u>				
Desk Audits of Affirmative Action Plans	310	155	299	180
Equal Employment Opportunity Certificates Processed	235	95	150	100
<u>Bank Reconciliation Section Activities</u>				
Accounts Reconciled	648	693	660	636